



DATE: June 15, 2000

STATE MINING & GEOLOGY BOARD

JOINT COMMITTEE REPORT

SUBJECT: Item 4 -- Approval of Financial Assurances in the Amount of \$86,929 for Granite Construction Company's Garner Pit (CA Mine ID Number 91-33-0031), Located in the City of Palm Springs.

COMMITTEE RECOMMENDS: The Committee recommends the Board approve the financial assurances in the stated amount.

BACKGROUND: The Surface Mining and Reclamation Act of 1975, § 2773.1, provides that lead agencies require financial assurances of each surface mining operation to ensure reclamation is performed in accordance with the mining operation's approved reclamation plan.

Granite Construction Company's Garnet Pit is within the jurisdiction of the City of Palm Springs; however, the City does not currently possess a surface mining ordinance as required by Public Resources Code § 2774. Therefore, the State Mining and Geology Board (SMGB) is the acting lead agency until such time as the City obtains a SMGB-certified ordinance.

Under SMARA § 2774(b) the SMGB, as acting lead agency, conducted an annual mine inspection in late December, 1998. It was noted during this inspection that the mine, which had recently become Idle, had several violations that required attention and that the financial assurances required adjusting. Granite Construction took actions to correct the cited violations, and then submitted a revised cost estimate for its financial assurances. The revised cost estimate reflected the corrective actions taken by Granite. In December, 1999 the site was again inspected by the SMGB and the violations were found to be corrected. In addition, the revised financial assurance amount was examined by the Department of Conservation's Office of Mine Reclamation (OMR) and determined to be adequate considering the new condition of the mine site.

The current financial assurances are in the amount of \$95,500. The revised cost estimate is in the amount of \$ 86,929.

RECOMMENDATION OF THE COMMITTEE: At its regular business meeting on April 13, 2000 the Joint Committee reviewed the revised financial assurance amount. The Committee recommends the Board approve the proposed amount of \$86,929.